

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	5. Lease Serial No. COC65106	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name	
2. Name of Operator GUNNISON ENERGY CORPORATION		Contact: PATTY JOHNSON Email: patty.johnson@oxbow.com	7. If Unit or CA Agreement, Name and No. COC74489X	
3a. Address 1801 BROADWAY SUITE 1200 DENVER, CO 80202		3b. Phone No. (include area code) Ph: 303-296-4222 Fx: 303-296-4555	8. Lease Name and Well No. DGU HOTCHKISS FEDERAL 1289 #18-H2	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNE 1488FNL 2739FWL 39.017458 N Lat, 107.377611 W Lon At proposed prod. zone SESW 440FSL 1750FWL 39.006903 N Lat, 107.359519 W Lon		9. API Well No.		
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 8 MILES SW TO SOMERSET, CO		10. Field and Pool, or Exploratory EXPLORATORY AREA		
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1903'		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T12S R89W Mer 6PM		13. State CO
16. No. of Acres in Lease 1075.00		12. County or Parish GUNNISON COUNTY		
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. BHL IS 5870' FROM HOTCHKISS 18-22D		17. Spacing Unit dedicated to this well		
19. Proposed Depth 13266 MD 7125 TVD		20. BLM/BIA Bond No. on file CO-1428		
21. Elevations (Show whether DF, KB, RT, GL, etc.) 7342 GL		23. Estimated duration 60 DAYS		
22. Approximate date work will start 05/01/2012				

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) NEIL W. ALLEN Ph: 303-296-4222	Date 11/18/2011
Title OPERATIONS MANAGER		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #123608 verified by the BLM Well Information System
For GUNNISON ENERGY CORPORATION, sent to the Durango

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional Operator Remarks:

Gunnison Energy Corporation proposes to drill two horizontal wells from the same well pad...Section 18-T12S-R89W. An APD for other well is also submitted at this time (DGU Hotchkiss Federal 1289 #18-H1).